Central investment subsidy for industrialisation of backward areas

*10. SHRI SURESH KALMADI: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government have announced the extension of Central Investment Subsidy for industrialisation of backward areas for the •nancial year 1987-88; and

(b) if not, what are the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): (a) and (b) The Central Investment Subsidy Scheme for the industrialisation of backward areas is being extended upto 31-7-1987.

Kamal Refinery

•11 SHRI CHATURANAN MISHRA:

SHRI N. E. BALARAM:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state;

(a) whether it is a fact that a joint venture Company—Tata Indian oil Refineries Limited has been formed for undertaking execution an,d opera tion of the Kamal refinery in Haryana;

(b) if so, what are the details of the Memorandum of Understanding (MOU) signed between Government and the Tata Chemicals Limited in this connection; and

(c) what progress has so far been made in the completion of the said project?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI BRAHM DUTT): (a) to (c) Government of India has entered into a Memorandum of Understanding with M/s Indian Oil Corporation (IOC) and Tata Chemicals Limited (TCL) on 22-5-87 for setting up a grass root refinery at Kamal through a new joint venture company.

(2) The Memorandum of Understanding provides for the refinery to have a capacity of 6 million tonres per annum and for IOC and TCL to take 26 per cent each of the equity in the new joint venture company. The Board of Directors of the new company will have 12 Directors. TCL will nominate the Managing Director whereas IOC will nominate the Director (Finance). These two will be the whole time Directors of the company. Out of the total 12 Directors, 5 each are to be nominated by IOC and TCL.

3. While the refinery will be in the joint sector, effective control will be ensured through supply of crude oil which is to be arranged by the Government of Indian and the marketing of formula products from the refinery which is to be done by IOC. Apart from this the affirmative vote of Director nominated by IOC will be necessary for certain major decisions to be taken by the joint venture company such as adoption of the annual capital and revenue budgets, selection of technology and P[ro]' cess know-how, award of major contracts, major sale and purchase of assete, change in the capital structure, diversification policies, declaration of dividends, pricing and marketing policies for products not subjected to the administered pricing scheme, amendments to the Memorandum and Articles of Association, transfer of shares, appointment of statutory auditors, etc.

4. Regarding the progress of work, land for the project has already been acquired and some preliminary site work has been initiated. A project team comprising of representatives from IOC and TCL has been coni-tituted and work on nreparation of a Detailed Project Reoort has been taken up. Steps are also in hand tor